

### REMARKS

This amendment is responsive to the Office Action mailed September 16, 2009. In the Office Action, Claims 1-29 were rejected under 35 U.S.C. § 103(a) as allegedly being unpatentable over Serkin et al. (U.S. Patent Application Publication No. 2002/0161687) in view of Madoff et al. (U.S. Patent Application Publication No. 2001/0044767).

Claims 1-29 remain pending in the application. Applicant has not amended the claims. For at least the reasons discussed below, applicant submits that Serkin and Madoff fail to teach or suggest all of the elements of Claims 1-29. The combination of references therefore does not support a prima facie rejection of the claims under 35 U.S.C. § 103(a). Withdrawal of the rejection of Claims 1-29 is merited.

#### Interview Summary

As an initial matter, applicant thanks Examiner Graham for the time and consideration given in a telephone interview conducted with the undersigned counsel on December 30, 2009. The interview focused primarily on the independent claims and the features that distinguish the claims over the cited art. It was noted that applicant had previously submitted arguments with respect to Madoff and that these arguments, in particular, were not specifically addressed in the Office Action. Madoff is clearly deficient with regard to the features of the claimed invention. Furthermore, applicant contended that the citation of Serkin was not necessitated by applicant's previously-presented claim amendments. Agreement was reached that applicant should respond to the Office Action and reiterate those arguments in view of which the finality of the Office Action should be withdrawn.

#### Claims 1-3 and 21-25

In *KSR International Co. v. Teleflex Inc.*, 550 U.S. \_\_\_, \_\_\_, 82 U.S.P.Q.2d 1385, 1395-97 (2007), the Supreme Court indicated that the key to supporting any rejection under 35 U.S.C. § 103 is a clear articulation of the reason(s) why the claimed invention would have been obvious. See also M.P.E.P. § 2143. For reasons discussed below, Serkin and Madoff do not disclose or

suggest all of the elements of Claim 1. Moreover, there is no combination of Serkin and Madoff that can render Claim 1 obvious. Applicant respectfully submits that a prima facie basis for rejecting Claim 1 has not been established and that the rejection of Claim 1 should be withdrawn.

Claim 1 is directed to a computer-implemented method of facilitating trading at a market. The claimed method includes:

receiving input from a market participant at a market participant's computer, wherein the market participant is a trading party participating in the market with other market participants, wherein the input provides a price for a side of a trade at the market, and wherein the input satisfies a market-related condition, and

automatically, at the market participant's computer, receiving from the market a new contra-side best market price for the trade in advance of the other market participants as a result of satisfying the market-related condition and only while the market-related condition is satisfied by the input received at the market participant's computer.

The Office Action (page 2) conceded, and applicant agrees, that Serkin fails to teach "*at the market participant's computer, receiving from the market a new contra-side best market price for the trade in advance of the other market participants as a result of satisfying the market-related condition and only while the market-related condition is satisfied by the input received at market participant's computer.*" The Office Action relied on Madoff as allegedly disclosing these elements of Claim 1. However, the Office's reliance on Madoff is in error.

Madoff discloses a process that matches newly received orders with other orders in a conventional fashion. For example, at paragraph [0055], lines 5-7, Madoff explains "the process 100 exposes 104 the order to the crowd, i.e., potential responders 14, via an electronic broadcast over the network systems mentioned above." In other words, according to Madoff, a received order is broadcast to all potential responders at the same time, as is done in conventional market systems.

In contrast, according to Claim 1 of the present application, a market participant (who, as claimed, is a "trading party") "receiv[es] from the market a new contra-side best market price for

the trade *in advance* of the other market participants as a result of satisfying the market-related condition and only while the market-related condition is satisfied by the input received at market participant's computer." (Emphasis added.)

Rather than immediately broadcasting the new price to all of the market participants at the same time, the market instead provides an advance view of the new price to a market participant who has provided a price for a side of the trade that currently satisfies a market-related condition. For example, a market participant who has provided the "best market price for a side of the trade" (e.g., as recited in Claim 3) may receive the new contra-side best market price "in advance of the other market participants." Receipt of this advance look at the new price is "a result of satisfying the market-related condition" and is received "only while the market-related condition is satisfied by the input received at the market participant's computer." See also Claim 8, discussed in greater detail below, in which "the trading party is given a first look at the new price before the other market participants."

The Office Action did not identify which aspect of Madoff's disclosure constitutes the "market-related condition" claimed in Claim 1 that the input must satisfy for the market participant's computer to receive a new contra-side best market price in advance of the other market participants. Applicant respectfully submits there are, in fact, ***no*** market-related conditions disclosed by Madoff that, when satisfied, result in a market participant's computer receiving a new contra-side best market price in advance of other market participants.

Citing the abstract of Madoff and paragraphs [0006]-[0011], as well as paragraphs [0055]-0057] and [0062] of Madoff, the Office Action (pages 2-3) alleged:

Madoff discloses according to an aspect of the invention, a method of auctioning products over a distributed networked computer system is provided [sic]. The method is executed over the system and includes entering an order for a product. The order can specify a price. The price can be a fixed price, a relative price or a market price. The order also specifies a quantity and an exposure time. The process also includes entering a response to an order, the response specifying a price, pride

improvement, and quantity and matching the order with the response in accordance with the exposure time specified by the order.

While the foregoing description is not necessarily agreed as accurately representing the teachings of Madoff, applicant nevertheless submits that the foregoing description **has no bearing** on the patentability of Claim 1. The above description does not indicate a teaching or suggestion of the elements of Claim 1 in which "a new contra-side best market price for the trade" is received at a market participant's computer "in advance of the other market participants as a result of satisfying the market-related condition and only while the market-related condition is satisfied by the input received at the market participant's computer."

As noted above, the Office Action cited the abstract in support of the rejection of Claim 1. The abstract of Madoff reads as follows:

A system for auctioning financial products over a distributed, networked computer system includes a plurality of workstations for entering orders for financial products into the distributed, networked computer system. The orders specify a price for the financial product, a quantity of the financial product and exposure time which the order can remain active. The system also includes a plurality of workstations for entering predefined relative indication and responses to orders for the product. The predefined relative indications specify a willingness to trade. The responses specify a price and quantity. The system includes a server computer coupled to the workstations for entering the orders, predefined relative indications, and the responses, with the server computer executing a server process that for a first one of said orders, determines a match to said first order with the predefined relative indications, responses and contra-side orders during an interval determined by the exposure time specified by said first order.

The Office Action also cited paragraphs [0006]-[0011], but these paragraphs are too lengthy to repeat herein. Inspection of the cited passages, however, shows that Madoff neither teaches nor suggests *"at the market participant's computer, receiving from the market a new contra-side best market price for the trade in advance of the other market participants as a result of satisfying the market-related condition and only while the market-related condition is satisfied by the input received at market participant's computer."*

The cited paragraphs at [0055]-[0057] and [0062], as cited in the Office Action, are repeated as follows (with emphasis added for purposes of discussion):

[0055] Referring now to FIGS. 10A-10B, a server process 100 that may be executed on the auction system 20 is shown. The server process 100 receives an order 101 entered by the order side 12 of the system 10, via the order entry format 101 (FIG. 10A). **The process 100 exposes 104 the order to the crowd, i.e., potential responders 14, via an electronic broadcast over the network systems mentioned above. The system 10 displays the size of the order and the order remains displayed for the life span of the order or until an execution ends the auction.** The process 100 compares 106 the order to any existing pre-defined relative indications, contra-side orders or responses (if responses are chosen to have a lifetime as discussed below) that exist in the system 10 at order receipt.

[0056] If there are pre-defined relative indications or contra-side orders or responses (if responses have a lifetime) in the system 10, **the process 100 will attempt to match 108 those existing pre-defined relative indications or contra-side orders or responses to the order.** For pre-defined relative indications, the match process 108 will examine the pre-defined relative indication that exists, at the best price and which is the oldest at that best price, and will determine whether that pre-defined relative indication matches any conditions that may exist with the order. The same criteria could be applied to existing contra-side orders or responses. **If there is a match, the order will be executed 110 with that pre-defined relative indication.**

[0057] If there is not a match, the process can iterate through a queue of pre-defined relative indications, contra-side orders and responses to determine the next oldest pre-defined relative indications, contra-side orders and responses at that best price to determine a match. The match process 108 attempts to find the pre-defined relative indications, contra-side orders and responses with the best price improvement or best price, as appropriate, and that is the oldest in the auction system 20 at that price improvement and which satisfies all conditions of the order and validating constraints that may apply. For example, if a price is specified outside of the NBBO [National Best Bid/Offer] it may be matched by the system 20 but will not pass validation. The system 20 can adjust the price so that it falls at the NBBO at the time of the execution.

...  
[0062] An alternative arrangement to that shown above could have the process 20 allow responses to have a lifespan coextensive with the lifespan of the auction process. If the system 20 allows responses to have a lifespan, but if there are no other orders, the process 100 will expire (not shown) all remaining responses in the system 20.

Contrary to the assertions made in the Office Action, these paragraphs of Madoff actually **support applicant's assertion** that Madoff fails to teach or suggest the elements recited in Claim 1. The process disclosed by Madoff's process simply tries to match newly received orders with other orders in a conventional fashion. Orders received by the process 100 are exposed "to the crowd, i.e., potential responders," at the same time. See paragraph [0055], lines 5-7, quoted above.

Because Serkin and Madoff do not disclose or suggest all of the elements of Claim 1, there is no combination of Serkin and Madoff that renders Claim 1 obvious. Applicant therefore submits that a prima facie basis for rejection of Claim 1 has not been established. The rejection of Claim 1 should be withdrawn.

The rejection of Claims 2, 3, and 21-25 should also be withdrawn. Claims 2, 3, and 21-25 are patentable over Serkin and Madoff, both for their dependence on Claim 1 and for the additional subject matter they recite.

For example, Claim 3 recites the method of Claim 1, *"wherein the input satisfies the market-related condition by providing the best market price for a side of the trade at the market."* Claim 25 further defines the "best market price" recited in Claim 3 for the sell side and the buy side of the trade at the market. According to Claim 25, *"for a sell side of the trade at the market, the best market price is the lowest ask price that any of the market participants have offered to take to sell,"* or *"for a buy side of the trade at the market, the best market price is the highest bid price that any of the market participants have offered to pay to buy."* These features are not taught or suggested by Serkin and Madoff. Withdrawal of the rejection of Claims 2, 3, and 21-25 is merited.

Claims 4-7, 26, and 27

Claim 4 is directed to a computer-implemented method of facilitating trading at a market. The method, as claimed, includes "automatically . . . selecting a party to receive notification of a new contra-side best market price for a trade at the market in advance of other market

participants, wherein the selected party is a market participant participating in a market with the other market participants, and wherein the selected party has provided a price for a side of the trade at the market" and "automatically . . . notifying the selected party of the new contra-side best market price for the trade in advance of the other market participants."

The method of Claim 4 further includes "automatically . . . measuring a predetermined time from when notification of the new contra-side best market price was sent to the selected party and, after the predetermined time has elapsed, notifying the other market participants of the new contra-side best market price."

The Office Action (pages 3-4) rejected Claim 4 as allegedly being unpatentable over Serkin and Madoff. Applicant strongly disagrees and for reasons similar to those discussed above relative to Claim 1, applicant submits that a prima facie basis for rejecting Claim 4 has not been established.

The Office Action (page 3) asserted that Serkin teaches selecting a party to receive notification of a new contra-side best market price for a trade at the market in advance of other market participants. Applicant disagrees. Serkin is directed to a market system that includes an internal execution process. According to the abstract of Serkin, "[t]he system includes an order execution process that receives orders and matches orders against quotes posted in the system on a time priority basis." While Serkin also teaches "an order match-off process that checks if a market participant identification associated with a received order matches a market participant identification representing a quote in the system that is at the best bid or best offer price in the system," nowhere does Serkin teach or suggest *"selecting a party to receive notification of a new contra-side best market price for a trade at the market in advance of other market participants,"* as claimed in Claim 4. Madoff, for its part, does not overcome this deficiency of disclosure of Serkin.

The Office Action (page 3) conceded, and applicant agrees, that Serkin fails to teach *"notifying the selected party of the new contra-side best market price for the trade in advance of*

*the other market participants."* The Office Action also conceded that Serkin fails to teach *"measuring a predetermined time from when notification of the new contra-side best market price was sent to the selected party and, after the predetermined time has elapsed, notifying the other market participants of the new contra-side best market price."* Nevertheless, the Office Action did not provide specific facts from Madoff that support the contention that Madoff overcomes the deficiencies of Serkin.

The Office Action cited the abstract of Madoff and paragraphs [0006]-[0011] and paragraphs [0055]-[0057] and [0062] of Madoff, but as with Claim 1 discussed above, these portions of Madoff do not support a prima facie case of obviousness of Claim 4. The process described by Madoff simply matches newly received orders with other orders in which the orders are broadcast to all of the market participants at the same time. See paragraph [0055], lines 5-7, of Madoff, as quoted earlier herein.

In view of the above, applicant submits that withdrawal of the rejection of Claim 4 is merited.

Claims 5-7, 26, and 27 are also patentable over Serkin and Madoff, both for their dependence on Claim 4 and for the additional subject matter they recite. For example, Claim 5 recites the method of claim 4, *"wherein the selected party is a provider of a best market price for a side of the trade at the market."* Claim 27 further defines the "best market price" recited in Claim 5 for the sell side and the buy side of the market. According to Claim 27, *"wherein for a sell side of the trade at the market, the best market price is the lowest ask price that any of the market participants have offered to take to sell,"* or *"for a buy side of the trade at the market, the best market price is the highest bid price that any of the market participants have offered to pay to buy."* These elements are not taught or suggested by either Serkin or Madoff. Accordingly, the claim rejections of Claims 5-7, 26, and 27 should be withdrawn.



## Claims 8-12

Claim 8 is directed to a system for facilitating trading at a market. The system includes a computer having a processing component and a memory.

The Office Action (page 5) rejected Claim 8 as allegedly being unpatentable over Serkin and Madoff. However, nothing in Serkin or Madoff suggests instructions stored in a memory that cause a processing component to *"select a party to receive notification of a new contra-side best market price for a trade at the market in advance of other market participants,"* as claimed in Claim 8. Serkin and Madoff also fail to teach or suggest instructions stored in the memory that cause the processing component to *"measure a predetermined time from when notification of a new contra-side best market price is sent to the selected party and, after the predetermined time has elapsed, to notify the other market participants of the new contra-side best market price."*

Serkin teaches a market system that includes an internal execution process that "receives orders and matches orders against quotes posted in the system on a time priority basis." (See, e.g., the abstract of Serkin.) Serkin also teaches "an order match-off process that checks if a market participant identification associated with a received order matches a market participant identification representing a quote in the system that is at the best bid or best offer price in the system." Nevertheless, Serkin does not teach or suggest "select[ing] a party to receive notification of a new contra-side best market price for a trade at the market in advance of other market participants." Furthermore, the Office Action (page 5) conceded that Serkin does not teach "measur[ing] a predetermined time from when notification of a new contra-side best market price is sent to the selected party and, after the predetermined time has elapsed, to notify the other market participants of the new contra-side best market price," and instead relied on Madoff in this regard.

Madoff teaches a system for auctioning financial products over a distributed, networked computer system. The system includes a plurality of workstations for entering orders for

financial products into the distributed, networked computer system. The orders specify a price for the financial product, a quantity of the financial product, and exposure time in which the order can remain active. The system also includes a plurality of workstations for entering predefined relative indication and responses to orders for the product. The predefined relative indications specify a willingness to trade. The responses specify a price and quantity.

The system includes a server computer coupled to the workstations for entering the orders, predefined relative indications, and the responses, with the server computer executing a server process that, for a first one of said orders, determines a match to said first order with the predefined relative indications, responses, and contra-side orders during an interval determined by the exposure time specified by said first order. See, e.g., the abstract of Madoff.

However, inspection of the disclosure of Madoff shows that Madoff does not teach or suggest "measur[ing] a predetermined time from when notification of a new contra-side best market price is sent to the selected party and, after the predetermined time has elapsed, to notify the other market participants of the new contra-side best market price." Madoff simply tries to match newly received orders with other orders in a conventional fashion. As noted earlier, orders received by the process 100 are exposed to all of the participants at the same time, as is done in conventional market trading.

Madoff, in fact, teaches away from Claim 8, which recites a processing component that "select[s] a party to receive notification of a new contra-side best market price for a trade at the market in advance of other market participants." (Emphasis added.) According to Claim 8, the processor also "measure[s] a predetermined time from when notification of a new contra-side best market price is sent to the selected party" and, after the predetermined time has elapsed, the processor "notif[ies] the other market participants of the new contra-side best market price." Nowhere does Madoff teach such elements of Claim 8.

Absent specific facts from Serkin and Madoff supporting a prima facie case of obviousness, withdrawal of the rejection of Claim 8 is warranted. Claims 9-12 are also

patentable over Serkin and Madoff, both for their dependence on Claim 8 and for the additional subject matter they recite.

#### Claims 13-17

Claim 13 is directed to a tangible computer-accessible medium having executable instructions stored thereon for facilitating trading at a market. The instructions, if executed by a computer, cause the computer to *"select a party to receive notification of a new contra-side best market price for a trade at the market in advance of other market participants, wherein the selected party is a market participant participating in the market with the other market participants, and wherein the selected party has provided a price for a side of the trade at the market."*

The instructions further cause the computer to *"notify the selected party of the new contra-side best market price," to "measure a predetermined time from when notification of the new contra-side best market prices is sent to the selected party," and "after the predetermined time has elapsed, to notify the other market participants of the new contra-side best market price."*

For at least reasons similar to those discussed above with regard to Claims 1 and 8, applicant submits that the rejection of Claim 13 based on Serkin and Madoff is without support and should therefore be withdrawn. The rejection of Claims 14-17 should also be withdrawn, both for their dependence on Claim 13 and for the additional subject matter they recite.

#### Claims 18-20

Claim 18 is directed to a tangible computer-accessible medium having executable instructions stored thereon for facilitating trading at a market. The market has a best market price for a side of a trade at the market and a best market price for a contra-side of the trade at the market. The instructions, if executed by a computer, cause the computer to *"receive an order having a new price for a side of the trade at the market," and "determine if the new price is better than the best market price for the side of the market."* If the new price is better than the

best market price for the side of the trade at the market, the instructions further cause the computer to *"identify a trading party that is currently providing the best market price for the contra-side of the trade at the market"* and *"notify the trading party of the new price, wherein the notification is sent to the trading party in advance of sending notification of the new price to other market participants in the market."* The trading party is thus *"given a first look at the new price before the other market participants."*

The Office Action relied on Serkin and Madoff as allegedly disclosing the elements of Claim 18. However, applicants respectfully disagree.

From review of Serkin at page 1, paragraphs [0003] and [0006]; page 4, paragraph [0054]; page 5, paragraph [0060]; and page 6, paragraph [0073]; and page 7, paragraph [0080], as cited in the Office Action, and Madoff at paragraphs [0006]-[0011], [0055]-[0057], [0062] and the abstract, applicant submits that the combination of Serkin and Madoff does not teach or suggest the elements of Claim 18. Arguments similar to those discussed above with respect to Claims 1, 4, 8, and 13 are applicable to Claim 18. Because the cited art does not support a prima facie basis for rejecting Claim 18, the rejection of Claim 18 should be withdrawn.

The rejection of Claims 19-20 over Serkin and Madoff should also be withdrawn, both for their dependence on Claim 18 and for the additional subject matter they recite.

#### Claims 28 and 29

Claim 28 recites a computer system that is configured to facilitate trading at a market. The computer system includes *"means for receiving input from a market participant providing a price for a side of a trade at the market, wherein the market participant is a trading party participating in the market with other market participants, and wherein the input satisfies a market-related condition by providing the best market price for the side of the trade at the market."*

The computer system further includes *"means for receiving from the market a new contra-side best market price for the trade in advance of the other market participants as a result*

*of satisfying the market-related condition and only while the market-related condition is satisfied by the received input."*

One example of an algorithm described in the specification for carrying out the claimed means in a computer system is described in relation to the flowchart of Figure 76. See, e.g., page 90, lines 19-27, of the application as filed, which explains:

FIG. 76 is a flowchart showing first look processing logic. At step 1630, oU 30 tests whether it provides the first look feature. If not, processing is complete. If oU 30 provides a first look feature, then at step 1635, oU 30 tests if the posted order improves the market. If not, then processing is complete. If the posted order improves the market, at step 1640, oU 30 records the current oE as providing the best market. At step 1645, oU 30 informs the contra best market provider of the new best market order. Since the contra best market provider is receiving this information in advance of the rest of the market, the contra best market provider has a first look at the new market. At step 1650, oU 30 sets a timer and, at step 1655, when the timer expires, oU 30 makes the new best market visible to all other oEs registered therewith.

For at least reasons similar to those discussed above with respect to Claim 1, applicant submits that the combination of Serkin and Madoff does not render obvious the elements of Claim 28. The scope of Claim 28 is also supported by the specification as filed.

Claim 29 is directed to a computing device that facilitates trading at a market. The computing device includes a processor configured to *"select a party to receive notification of a new contra-side best market price for a trade at the market in advance of other market participants, wherein the selected party is a market participant participating in the market with the other market participants, and wherein the selected party has provided a price for a side of the trade at the market."* Additionally, the processor or another processor in the computing device is configured to *"notify the selected party of the new contra-side best market price for the trade and to measure a predetermined time from when notification of the new contra-side best market price is sent to the selected party."* Still further, the processor or another processor in the

computing device is configured to "notify the other market participants of the new contra-side best market price after the predetermined time has elapsed."

The combination of elements recited in Claim 29 is not taught or suggested by Serkin and Madoff, as discussed above, e.g., with respect to Claim 8. Neither Serkin nor Madoff teaches or suggests selecting a party to receive notification of a new contra-side best market price for a trade at the market in advance of other market participants, nor do the references teach or suggest measuring a predetermined time from when notification of the new contra-side best market price is sent to the selected party, and notifying the other market participants of the new contra-side best market price after the predetermined time has elapsed.

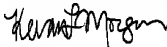
For at least the above reasons, the rejection of Claim 29 should be withdrawn.

#### CONCLUSION

Applicant respectfully submits that the disclosures of Serkin and Madoff are deficient and do not support a *prima facie* case of obviousness of Claims 1-29. The rejection of the claims should be withdrawn and the claims allowed. Should any issues remain needing resolution prior to allowance, the Examiner is invited to contact the undersigned counsel by telephone.

Respectfully submitted,

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